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SUBJECT: CROATIA DUMPS FISHING ZONE OVERBOARD IN HOPES OF

ACCELERATING EU ACCESSION

REF: A. ZAGREB 84

¶B. 2007 ZAGREB 1065

- 11. (U) SUMMARY: On March 13, the Croatian parliament voted to suspend application of its Ecological and Fisheries Protection Zone (ZERP) to EU member states until Croatia, Italy, and Slovenia can reach a joint agreement on the issue. The one-vote margin by which the suspension passed belies broader support for the suspension, as most of the opposition members abstained to avoid voting with the government. The European Commission rewarded the parliament's decision with an announcement that its autumn Enlargement Package will include a timetable for the technical conclusion of Croatia's negotiations in 2009. End Summary.
- 12. (U) After debating the issue until midnight on March 12th, the Croatian parliament voted to suspend application of the Ecological and Fisheries Protection Zone (ZERP) to EU member states until Croatia, Italy, and Slovenia can reach a joint agreement on the issue. The suspension bill passed with the minimum necessary votes: 77 ayes. The nine mays included the 6 representatives of the Croatian Peasants' Party (HSS), a member party of the governing coalition. Although the HSS pushed ZERP application as one of its top goals during the coalition-building negotiations in January, party leaders have indicated publicly they will not leave the coalition over the ZERP's suspension. Also among the nays were two representatives of the Social Democratic Party (SDP), the primary opposition party. The remaining SDP members, as well as the Croatian People's Party (HNS) members, abstained from the vote. While the SDP overall supported ZERP suspension as a necessary step, members did not want to cast "aye" votes and thereby help the Croatian Democratic Union (HDZ) out of a difficult situation, according to comments by SDP leaders.
- 13. (U) Croatia began applying ZERP regulations to EU member states on January 1, 2008, despite objections from Slovenia and Italy and warnings from the European Commission that the move could hamper accession negotiations (reftels). Through January and into February, Croatia and Slovenia escalated their rhetoric to an apparent standoff, with Croatian PM Sanader insisting he would not yield on ZERP implementation. In recent weeks, however, Sanader's comments have aimed to create the political space to yield. Acknowledging that Croatia was under an "informal blockade" in accession negotiations, Sanader told the public Croatia faced an unavoidable choice between ZERP and the EU, and that he and his HDZ party were choosing the EU. HSS leaders continued to voice their opposition to suspension, and a few fishermen's guilds and environmental groups also spoke out against suspension. However, overall public response was muted.
- 14. (U) The European Commission immediately rewarded Croatia for the decision to suspend ZERP: on March 13, following a meeting with Sanader in Brussels, Commission President Jose Barroso announced that the Commission's autumn Enlargement

Package will include a timetable for the technical conclusion of Croatia's negotiations in 2009, provided Croatia meets a number of conditions. He said he considered one of those conditions--suspending all aspects of ZERP with respect to EU vessels -- now done. Both he and Sanader said they were confident Croatia could meet the remaining conditions and conclude negotiations by the end of the Commission's mandate in October 2009. Slovene PM Jansa also said the ZERP decision was a positive step in removing the obstacles to faster accession negotiations. While Sanader played up the EU statements, other local politicians have been more skeptical. SDP MP and former Foreign Minister Tonino Picula said Barroso's announcement was just a courtesy gesture. HSS President Josip Friscic, still a member of the ruling coalition, warned that Slovenia and the EU would probably just come up with some other obstacle to slow down Croatia's EU accession.

15. (SBU) COMMENT: Although Sanader appears to have suffered little political damage for conceding on ZERP, it remains to be seen whether his government can turn the optimism of the March 13 announcements into real progress in the accession negotiations. Martin Mayer, political advisor at the European Commission Delegation to Croatia, told us that, although events of recent days are "encouraging political signals," there is no formal procedure linking ZERP suspension to acceleration of the negotiations. The fact that Croatia has yet to meet a single accession benchmark and did not manage to close any negotiating chapters in 2007 does not bode well for the GoC's chances of accelerating its progress sufficiently to complete negotiations in the next year and a half.

Bradtke